

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Juihsia Chu Sun and Linda Feng Min Sun, Claimants vs. CitiCorp Investment Services, Shao Te and Anna Toy, Respondents.

Case Number: 99-03300

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

Claimants, Juihsia Chu Sun and Linda Feng Min Sun, hereinafter referred to as "Claimants":
Juihsia Chu Sun and Linda Feng Min Sun, Newark, California

Respondents, CitiCorp Investment Services ("CitiCorp"), Shao Te and Anna Toy, hereinafter referred to as "Respondents": Etta M. Gumbs, Esq., Salomon Smith Barney Inc., New York, New York

CASE INFORMATION

Statement of Claim filed on or about: July 14, 1999

Claimants, Juihsia Chu Sun and Linda Feng Min Sun, signed the Uniform Submission Agreement: June 14, 1999

Joint Statement of Answer filed by Respondents, CitiCorp Investment Services, Shao Te and Anna Toy, on or about: October 4, 1999

Respondent, CitiCorp Investment Services, signed the Uniform Submission Agreement: August 30, 1999

Respondent, Shao Te, signed the Uniform Submission Agreement: September 28, 1999

Respondent, Anna Toy, signed the Uniform Submission Agreement: October 6, 1999

CASE SUMMARY

Claimants alleged that they suffered damages because of Respondents' mishandling of their account. Claimants further alleged that their investments in Citifunds California Tax Free Income Portfolio and B shares of Putnam California Tax Exempt Fund ("Putnam") were unsuitable; that Respondents failed to disclose the risks associated with their investments; and that CitiCorp failed to properly supervise its Representatives.

Respondents denied Claimants' allegations of wrongdoing and asserted the following affirmative defenses: 1) The Statement of Claim fails to state a claim on which relief can be granted and Claimants are therefore barred from recovery; 2) Any losses allegedly sustained by Claimants were due to their decision to buy, hold or sell the Putnam fund; 3) Claimants are barred from recovery by the doctrines of laches and estoppel; 4) Claimants assumed the risks of investing in

the funds at issue; 5) Claimants are barred from recovery because they authorized, approved of and/or ratified all transactions at issue; and 6) Respondents acted in good faith in reliance upon Claimant's representations of financial status, as well as his knowledge and understanding of the trades.

RELIEF REQUESTED

Claimants requested damages in the amount of \$129,674.52.

Respondents requested that Claimants' Claim be denied.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims by Claimants against Respondents Shao Te and Anna Toy are dismissed.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Anna Toy's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Toy must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Respondent CitiCorp is solely liable for and shall pay to Claimants, Juihsia Chu Sun and Linda Feng Min Sun, the sum of \$9,985.15 which includes 466 days of interest at a 4% rate of interest. This in effect rescinds the Claimants' purchase of Putnam California Tax Exempt Income Fund Class B, purchased on May 19, 1999.

The Panel suggests CitiCorp review efforts to differentiate transactions with CitiCorp Investment Services as opposed to CitiCorp Bank, to avoid confusion to clients.

The Panel strongly suggests that CitiCorp review their policies and procedures relative to communications with non English speaking customers, in particular, those transactions involving a prospectus.

The Panel also suggests that CitiCorp review their policy regarding prospectus items

where a customer upon review of the prospectus asks that the trade be rescinded. In this case such a request was made within two days of the transaction.

4. The parties shall each bear their respective costs including attorney's fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

July 25-26, 2000, adjournment by CitiCorp	= \$1,125.00
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Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session x \$1,125.00	= \$1,125.00
Pre-hearing conference: March 20, 2000	1 session
Three (3) Hearing sessions x \$1,125.00	= \$3,375.00
Hearing Dates: September 19, 2000	2 sessions
September 20, 2000	1 session

Total Forum Fees	= \$4,500.00
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The Panel has assessed the \$4,500.00 in forum fees to Respondent, CitiCorp.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security. The parties did not incur administrative costs.

Fee Summary

1. Claimants, be and hereby are liable for:

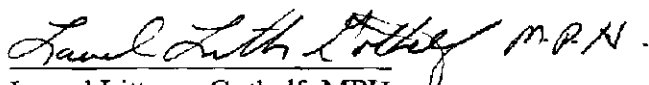
Initial Filing Fee	= \$ 300.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$1,425.00
Balance (Refund)	= \$1,125.00

2. Respondent, CitiCorp, be and hereby is solely liable for:

Member Fees	= \$ 4,600.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 4,500.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$10,225.00
<u>Less payments</u>	= \$ 4,600.00
Balance Due NASD Regulation, Inc.	= \$ 5,625.00

All balances are due to NASD Dispute Resolution, Inc. and are payable within 30 days of the service date of this Award.

Concurring Arbitrators' Signatures


Laurel Littman Gothelf, MPH
Public Arbitrator, Presiding Chair

9-28-00
Signature Date

Philip Aaron Tymon, JD
Public Arbitrator

Signature Date

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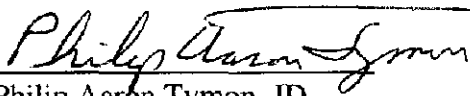
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Public Arbitrator, Presiding Chair

Signature Date



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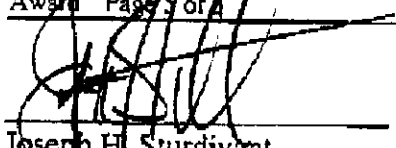
9/28/00

Signature Date

NASD Dispute Resolution, Inc.

Arbitration No. 99-03300

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Joseph H. Sturdivant

Industry Arbitrator

Date Served:

OCT 06 2000

Date of Service (For NASD office use only)

10/2/00
Signature Date